

VZCZCXRO3384
RR RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK
DE RUEHGB #3859/01 3460704
ZNR UUUUU ZZH
R 110704Z DEC 08
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC 0782
INFO RUCNRAQ/IRAQ COLLECTIVE

UNCLAS SECTION 01 OF 02 BAGHDAD 003859

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [PGOV](#) [EFIN](#) [EAID](#) [IZ](#)

SUBJECT: MINISTRY OF PLANNING HOSTS THIRD PROVINCIAL
DEVELOPMENT CONFERENCE

¶1. (SBU) Summary: On November 5-6, the Ministry of Planning and Development Cooperation (MoPDC) held its third conference on provincial development entitled "Provincial Development Strategy and Provincial Development Plan Institutionalization Conference." During the conference, each province was asked to provide a fifteen minute presentation on the status of planning efforts, including the status of each PDP. Overall, the discussion focused on frustration over the lack of MoPDC and MoF guidance on the PDS/PDP process and the challenges to effective provincial planning, including corruption, lack of technical assistance and coordination between ministry representatives and provincial leaders. Despite a robust agenda and initial commitment by MoPDC and MoF to provide guidance on provincial planning initiatives, MoF did not have a high level representative at the event. End summary.

¶2. (SBU) The conference, organized and funded by USAID's Local Governance Program (LGP), drew more than 200 attendees, including representatives of at least 16 provinces. The conference's primary objectives were to set forth guidelines for the Provincial Development Strategy (PDS) and Provincial Development Plan (PDP) process which was established in 2008; to prepare provinces for a five-year strategy and planning framework; and to affirm MoPDC and Ministry of Finance (MoF) regulations with the goal of creating a closer collaboration between provinces and these ministries.

Provincial and National Planning Efforts

¶3. (SBU) Authored by provincial and local representatives, PDS documents outline overarching development goals for each province. The PDS documents were accepted by the government at the first provincial development conference in March 2008. During the second provincial development conference in April 2008, provinces were instructed by the MoPDC and MoF to create Provincial Development Plans (PDP) that create sector-specific project lists drawn from themes outlined in each PDS. The PDS documents will also be used to create a new National Development Strategy (NDS) that will guide a National Development Plan (NDP). In an effort to prevent duplication, the NDP will also rely on the project lists provided in the PDPs. (Note: The new NDS would replace the existing NDS which is set to expire in 2010. End note.)

Guidelines for Provincial Development Plan Submission

¶4. (SBU) While the PDS and PDP process are not outlined in legislation, the government and provinces have adopted this process as a key mechanism to foster Iraq's development. Over the course of the process, provincial leaders have complained over the lack of direction from the MoPDC and MoF. Specifically, leaders state that the 15 new MoP cells that were established in the provinces to "assist" on PDP development have, at times, hindered provincial input.

¶5. (SBU) The general provincial planning process is outlined

below:

- 1- PDS is drafted
- 2- Multi-stakeholder consultation process with local councils
- 3- Provincial Council (PC) prepares and approves vision, goals and strategies in PDS and sends to Governor
- 4- Governor prepares project list to implement PDS (PDP is developed)
- 5- Governor sends PDP to MoP for review and approval
- 6- MoP reviews and revises PDP as required
- 7- MoP returns revised PDP to Governor
- 8- Governor sends revised PDP to PC for review
- 9- PC reviews PDP with local councils
- Q9- PC reviews PDP with local councils
- 10- PC approves PDP and sends to Governor
- Governor sends approved PDP to MoP
- 11- MoP reviews PDP, approves and forwards to the MoF
- 12- MoF receives and processes approved PDPs
- 13- MoF submits budget to Cabinet for Council of Representatives approval
- 14- MoF releases funds to the provinces

Of Iraq's 18 provinces, 16 have sent a PDP to the MoP for review (step 5 above). Maysan and Babil PDPs are still with the Governor (step 4 above).

Provincial Development Plan Presentations

¶6. (SBU) All provinces except Sulaymaniyah, Dohuk, and Erbil presented on the status of provincial planning (Note: Dohuk, Erbil and Sulaymaniyah receive budget allocations from the

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KRG. End Note). The majority of provincial leaders focused on challenges that hindered effective planning; including the lack of capable and experienced staff, corruption, and procurement difficulties (for example, Najaf complained that PDP was used to buy cars for office staff).

¶7. (SBU) Provincial representatives offered various suggestions. Anbar province called for the construction of an airport to "facilitate future tourism" as well as the need for the Provincial Investment Commission to incorporate projects and goals into the PDS and PDP. Basra and Najaf highlighted the need for coordination with existing investment and donor projects in their region (Basra and Kirkuk provinces suggested that focus should shift from development to investment projects). Baghdad, Dhi Qar as well as other provinces called for better coordination with the central government on provincial projects.

¶8. (SBU) Babil highlighted the existence of its Provincial Development Committee (which is separate from the Provincial Council) as well as its strong coordination of local project requests. Similarly, Dhi Qar mentioned their extensive bottom-up planning process.

¶9. (SBU) Diyala reported that it is still implementing '07 projects and is implementing '08 projects more effectively due to increased security, but noted the shortage of cash to pay contractors.

¶10. (SBU) Many provinces complained that contractors that were paid are yet to commence work on projects due to security concerns while others (like Kirkuk) complained that projects have been started before the awarding of contracts. MoPDC representative and Director General for Housing and Construction Dr. Anwar Bunni indicated that the MoPDC will redefine the procurement authorities in the near future but did not provide any additional information.

¶11. (SBU) Maysan and Muthanna focused on the essential services sector. Maysan mentioned that most sewage and water infrastructure projects were completed in 2008 and that it

would focus on transportation projects in 2009. In addition, Ninewa reported that 99 percent of '06 projects have been completed and that '07 projects are 66 percent complete.

Comment: GOI Provincial Planning Initiatives: Way Forward

¶12. (SBU) The central government can serve as a key link for facilitating and directing international donor contributions in support of the execution of the projects outlined in PDPs.

While the Ministry of Planning continues to exercise intimate involvement in the PDS/PDP process, efforts should focus on providing provinces with specific guidance on PDS/PDP regulations and seek to coordinate provincial efforts with the new National Development Strategy and National Development Plan. This can prevent duplication of efforts and provide coordination across provincial lines. In addition, numerous international donors have expressed interest in working directory with Iraq's provinces to support local development. The central government should build the capacity for the International Compact with Iraq (ICI) Secretariat to facilitate and direct donor contributions in support of specific provincial projects. On the local level, Provincial Reconstruction Teams should continue to assist with PDP development and continue to focus on USG funded projects that satisfy PDP priorities to ensure local buy-in.

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